



REMINGTON
Remington Hotels
Memorandum

To: Karim Sachedina, LaDonna Gerhart
Cc: Raheel Moolji, Gilbert Arrendondo, Jeff Patton, Chad Goodnough
From: Mark Matz
Date: January 2014
Subject: SSG Exceptions Process Clarifications and Catering Minimums

The revised Selective Sales Guidelines (SSG) exception process began in October 2013 with Revenue Management being required to approve SSG exceptions. This memo defines exceptions, clarifies process issues and defines when catering minimums are required.

SSG Exception Definition

An SSG exception is when either the room revenue guideline or the total revenue guideline fails the SSG. Both rooms revenue and total revenue must pass otherwise the group must be escalated to Revenue Management to be booked. So every group failing rooms revenue but passing total revenue needs to be escalated to the SSG Exceptions email mailbox to be booked, even though Profit Pack doesn't identify this situation as a failure.

SSG Process Clarifications

Clarifications to the SSG exception process are needed:

- Every email originating from Sales & Marketing to the SSG Exceptions email mailbox must have the following four items in the subject line: **Remington's 3-letter hotel name, "SSG Exception," client and function date(s)**. An example of an acceptable subject line is "BBH-SSG Exception-American Dental Company-April 3-5, 2014." If these four items are not included in the subject line, Revenue Management is to decline the exception request. Sales & Marketing must resubmit the exception request with the correct subject line if S&M wants to proceed with the exception.
- All emails to the SSG Exceptions email mailbox must either be a SSG exception request from Sales & Marketing or a SSG exception decision from Revenue

Management. Any correspondence or email discussions besides the initial request and the final decision should not be sent to the SSG Exceptions email mailbox.

- Every email from Revenue Management to Sales & Marketing through the SSG Exceptions email mailbox must include one and only one of the following phrases to clearly determine Revenue Management's decisions: "Approved," "Not Approved," "Accepted," "Not Accepted" and "Declined." Every declined decision must also include the reason for being declined. Revenue Management is encouraged to provide solutions to get an approval, but that is not required. Approved decision emails may also include explanations but that is not required.
- A BRM decision email should be sent to the property DOS or GM and to the SSG Exceptions email mailbox. The BRM decision email should not be sent to the DVP of Sales & Marketing. The DOS and GM are responsible for escalating to the DVP of S&M.

Catering Minimums in SSGs

Catering minimums have been inconsistently entered into Profit Pack and the Marriott system. Catering minimums are helpful to ensure that we are selling our meeting space as well as our guestrooms. This is especially important when the hotel's guestrooms are likely to be sold out. If we sell to groups without catering revenues, guestrooms could be unavailable to groups who would have provided catering revenues, and thus we would not be optimizing total revenues. However, if we require catering minimums when our hotel will have unsold rooms, we may turn away rooms-only groups that would provide guestroom revenues. See below for sellout approximations by system.

Revenue Management is responsible for setting and entering the catering minimums. The DOS, the GM or any property-level employee should not change the catering minimums without approval from the BRM. The catering minimum is the average of the catering revenues per group guestroom by month last year. Catering revenues may be broken out by type (e.g. food, beverage, banquet room rental, other), but it is not required.

We will include catering minimums on days which may sellout. However implementing this on a day-by-day basis in Profit Pack and Marriott systems is difficult. Therefore the following rules will be applied by system:

- Profit Pack – Catering minimums should be entered by day-of-week and month combination. If the average occupancy by the day-of-week and month combination was higher than 85% last year then a catering minimum should be entered. The BRM is allowed to enter catering minimums manually for days on which the projected occupancy is above 90%, but the BRM is not required to do so.
- Marriott System – Catering minimums should be entered by month. Catering minimums should be entered when the projected occupancy for the coming month is over 75%. If the projected occupancy by month is unavailable, the same month from last year should be used. The BRM is allowed to enter catering minimums manually for days on which the projected occupancy is above 90%, but the BRM is not required to do so.

- Daily Entry – If entering catering minimums is possible on a day-by-day basis without manual entry, then catering minimums are to be entered for days on which the projected occupancy is above 90%.

Approvals:

KS

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